

5.2 Insurance Requirements

The Highway Commissioner shall determine the minimum acceptable amounts for the following types of insurance--(1) Bodily Injury Liability and (2) Property Damage Liability. There shall be no restrictions on occurrence limits.

The Permittee shall cease, or cause to be ceased, operations, work, and construction of an improvement if the insurance is canceled or reduced below the required minimum amount of coverage as determined by the Township Engineer.

5.2.1 Certificates of Insurance

Certificates of Insurance, as required by this Section, shall be provided to the **VTHD** prior to the issuance of a public permit for the construction or reconstruction of all types of utilities/facilities as provided for in this Ordinance. The Certificate of Insurance must include the Permit Application Number or the Project Name and Township Highway location on the Certificate.

Certificate of Insurance acceptable to the **VTHD** shall be filed with the **VTHD** prior to the issuance of a permit. A copy of one type of acceptable insurance certificate is attached as Figure 5.1. All Certificates of Insurance must be accompanied by a separate endorsement which designates as an **additional insured; Vernon Township Highway Department and its officers, agents, and employees; Vernon Township and its officers, agents and employees.** This endorsement must be signed by an officer of the Insurance Company issuing the policy or by an authorized, designated agent of that Insurance Company. A copy of one type of acceptable endorsement is attached .

ENDORSEMENT

This endorsement modifies the insurance policy _____ provided under _____
The policy is modified by endorsement to add as an **additional insured** the Vernon Township Division of Transportation and its officers, agents, and employees, Vernon Township and its officers, agents and employees. This endorsement of coverage is specific to incidents involving bodily injury and property damage arising out of acts or operations of a Permittee performed within the rights-of-way of a Township Highway. Further, should the policy Number provided under _____ be canceled before the expiration date there of the issuing company WILL mail 30 days written notice to:

Vernon Township Highway Department
Highway Commissioner
3050 N. Main Street
Buffalo Grove, IL 60089

Accord-type Certificates of Insurance which include a statement to the effect that “this Certificate is issued as a matter of information only and confers no rights upon the Certificate holder, this Certificate does not amend, extend or alter

the coverage afforded by the policies below” ARE **NOT ACCEPTABLE** and do not comply with the provisions of this Ordinance.

The Certificate and the insurance policies required shall contain a provision that coverages afforded under the policies will not be canceled, non-renewed, nor restrictive modifications added until at least 30 days after written notice has been given to **VTHD**. A mere intent to notify of cancellation is not acceptable. An Accord-type Certificate which includes a statement to the effect that “any of the above described policies be canceled before the expiration date thereof; the insuring company will endeavor to mail 30 days written notice to the Certificate holder named but failure to mail such notice shall impose no obligation or liability of any kind upon the Company, its agents or representatives” ARE **NOT ACCEPTABLE** under this Ordinance.

Insurance coverage’s which are to remain in force and effect after completion of the construction will require an additional Certificate evidencing continuation of such coverages.

Such additional Certificate(s) shall be submitted upon completion and acceptance of the construction improvements and upon one year thereafter. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the permittee with reasonable promptness in accordance with the permittee’s information and belief Any acceptance of insurance certificates by the VTHD shall in no way limit or relieve the permittee of the duties and responsibilities assumed by the permittee. Acceptance of insurance certificates not in compliance with the provisions of these requirements by VTHD shall not effect a waiver of these requirements.

5.2.1.a Responsibility for Damage Claims

The Permittee shall indemnify, save harmless and defend the VTHD and the Township, its officers, agents, and employees against all loss, damage, or expense that it or they

may sustain as a result of any suits, actions, or claims of any character brought on account of property damage, injury to or death of any person or persons, including all persons performing any work under the permit, which may arise in connection with the work to be performed under the permit.

The permit is not intended by any of the Provisions of any part of the permit to make the public or any member thereof a third party beneficiary of the Permit, or to authorize any one not a party to the permit to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of the permit. The duties, obligations, and responsibilities of the parties to the permit with respect to third parties shall remain as imposed by law.

5.2.2 Workman's Compensation Insurance

Prior to the issuance of a permit by the **VTHD**, the Permittee shall furnish to the **VTHD** certificates of insurance covering Workman's Compensation, or satisfactory evidence that this liability is otherwise taken care of in accordance with Section 4.(a) of the "Workman's Compensation Act of the State of Illinois" as amended.

5.2.2.a Duration of Coverage

Such insurance, or other means of protection as herein provided, shall be kept in force until all work to be performed under the terms of the permit has been completed and accepted, and it is hereby understood and agreed that the maintenance of such insurance or other protection, until acceptance of the improvement by the **VTHD**, is part of the permit. Failure to maintain such insurance, cancellation by the Industrial Commission of its approval of such other means of protection as might have been elected, or any other act which results in lack of protection under the said "Workman's Compensation Act" may result in the revocation of the permit.

5.2.2.b Insurance Conditions

Any deductible and/or self-insured retention shall be the responsibility of the Permittee.

5.2.3 Permittee's Liability Insurance

The Permittee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Illinois, with an A.M. Best's Rating of at least A-Class VIII, such insurance as which will protect the Permittee from claims set forth below which may arise out of or result from the Permittee's operations under the permit and for which the Permittee may be legally liable, whether such operations be by the permittee or by a contractor or subcontractor or by anyone directly or indirectly employed by any of them or for anyone for whose acts any of them may be liable.

5.2.4 Commercial General Liability Insurance

The Permittee shall obtain and maintain commercial general liability insurance on an occurrence basis as provided by the Commercial General Liability Coverage Form CG 00 0110 93, Insurance Services Office, Inc. or its equivalent. No restrictive endorsements pertaining to premises/operations insurance, contractual liability insurance, products and completed operations insurance or independent contractor's coverage may apply. The policy should respond to claims for damages because of bodily injury, sickness or disease, or death of any person other than the Permittee's employees as well as claims for damages insured by usual personal injury liability coverage which are sustained (1) by a person as a result of an offense directly or indirectly related to employment of such person by the

Permittee, or (2) by another person and claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use therefrom.

5.2.4.a Duration of Coverage

The insurance described above shall be maintained for the duration of the operations performed by or on behalf of the Permittee. In addition, the Permittee shall continue to carry complete operations liability insurance for at least two years after the construction is complete. The Permittee shall furnish the VTHD evidence of such insurance at completion of construction and one year thereafter after its acceptance by the VTHD.

5.2.4.b Insurance Conditions

The Vernon Township Division of Transportation and its officers, agents and employees; Vernon Township and its officers, agents and employees shall be named as additional insureds under the policy described above, and an additional insured endorsement shall be provided under ISO (Insurance Services Office) additional insured endorsement CG 2026, edition date 1093 or its equivalent. Said insurance shall be written on an occurrence basis. The Permittee's insurance shall be primary and non-contributory. Any deductible and/or self-insured retention shall be the responsibility of the Permittee. The policy shall contain the standard Separation of Insureds condition. The policy shall be endorsed to allow the General Aggregate Limit under LIMITS OF INSURANCE of the policy to apply separately to each project and each location.

5.2.5 Employers Liability

The Permittee shall obtain and maintain employers liability insurance to respond to claims because of bodily injury, occupational sickness or disease or death of the Permittee's employees.

5.2.5.a Duration of Coverage

The insurance described above shall be maintained for the duration of the operations performed by or on behalf of the Permittee.

5.2.5.b Insurance Conditions

Any deductible and/or self-insured retention shall be the responsibility of the Permittee.

5.2.6 Automobile Liability

The Permittee shall obtain and maintain auto liability insurance as provided by the Business Auto Coverage Form CG 00 0112 93, Insurance Services Office, Inc., or its equivalent. The policy should respond to claims for damages because of bodily injury, death of a person or property damage arising out of the ownership, maintenance or use of a motor vehicle. This policy shall be written to cover any auto whether owned, leased, hired, or borrowed.

5.2.6.a Duration of Coverage

The insurance described above shall be maintained for the duration of the operations performed by or on behalf of the Permittee.

5.2.6.b Insurance Conditions

The Vernon Township Division of Transportation and its officers, agents and employees; Vernon Township and its officers, agents and employees shall be included as insureds under the “Who Is An Insured” provision as “anyone liable for the conduct of an ‘insured’ described above but only to the extent of that liability.” Any deductible and/or self-insured retention shall be the responsibility of the Permittee. The policy shall contain the standard Severability of Interests provisions.

5.2.7 Minimum Limits of Liability

The Permittee’s commercial general liability insurance, business automobile liability insurance and employers liability insurance as required by the preceding paragraphs shall be written with limits of insurance not less than the following:

Commercial General Liability Insurance:

General Aggregate Limit*	\$2,000,000
Products Completed Operations Aggregate Limit	\$2,000,000
Personal & Advertising Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000

*The policy shall be endorsed for the general aggregate on a “per project” basis as well as a “per location” basis.

Employers Liability Insurance:

Bodily Injury by Accident (Each Accident)	\$1,000,000
Bodily Injury by Disease (Each Employee)	\$1,000,000
Bodily Injury by Disease (Policy Limit)	\$1,000,000

Automobile Liability Insurance:

Bodily Injury, Property Damage and Covered Pollution Cost or Expense (Each Occurrence Limit)	\$1,000,000
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5.2.8 Self-Insurance

If an organization seeking a permit under the Ordinance is self-insured, meaning that the organization is utilizing a system whereby it is setting aside an amount of monies to provide for any losses that occur, losses would normally be covered under an insurance program. Therefore, insurance policies are not in

place. However, the VTHD shall transfer risk to these organizations. Qualified legal counsel should provide a provision to be inserted that indicates the protection afforded the Vernon Township Division of Transportation, its officers, agents and employees and Vernon Township, its officers, agents and employees will be the equivalent of the insurance protection required of those organizations which do purchase the required insurance coverage's.

VTHD is not obligated to accept self-insurance by an organization in lieu of any or all of the insurance policies or coverages delineated above. The decision to accept or reject an organization's self-insurance shall be made solely and exclusively by the Township Engineer at the Township Engineer's discretion.